

**Proposal for Vermont**  
**Limiting Control Over Medical Decision Making**  
**(Limiting the Corporate Practice of Medicine or “CPOM”)**  
**Proposal from Multiple Vermont Health Care Associations**

*Built off of California [SB 351/AB 1415](#) (enacted fall 2025)– with some elements of Oregon [SB 951](#) broadening to all health care professionals and facilities*

**SECTION 1.**

XXX is added to XXX VSA XXX to read:

For purposes of this division, the following definitions shall apply:

- (1) “Health care facility” has the same meaning as in section 9402 (8) of title 18;
- (2) “Health care provider” has the same meaning as in section 9402 (7) of title 18;
- (3) (A) “Hedge fund” means a pool of funds managed by investors for the purpose of earning a return on those funds, regardless of the strategies used to manage the funds. Hedge funds include, but are not limited to, a pool of funds managed or controlled by private limited partnerships.  
(B) “Hedge fund” does not include:
  - (i) Natural persons or other entities that contribute, or promise to contribute, funds to the hedge fund, but otherwise do not participate in the management of the hedge fund or the fund’s assets, or in any change in control of the hedge fund or the fund’s assets.
  - (ii) Entities that solely provide or manage debt financing secured in whole or in part by the assets of a health care facility, including, but not limited to, banks and credit unions, commercial real estate lenders, bond underwriters, and trustees.
- (4) (A) “Private equity group” means an investor or group of investors who primarily engage in the raising or returning of capital and who invest, develop, dispose of, or purchase any equity interest in assets, either as a parent company or through another entity the investor or investors completely or partially own or control.  
A Private equity group does not include Natural persons or other entities that contribute, or promise to contribute, funds to the private equity group, but otherwise do not participate in the management of the private equity group or the group’s assets, or in any change in control of the private equity group or the group’s assets.

**SECTION 2.**

XXX is added to XXX VSA XXX to read:

- (1) A private equity group or hedge fund involved in any manner with health care facility doing business in this state, including as an investor in that health care facility or as an investor or owner of the assets of that health care facility, shall not do either of the following with respect to that health care facility:
  - (A) Interfere with the judgment of health care professionals in making health care decisions, including any of the following:
    - (i) Determining what diagnostic tests are appropriate for a particular condition.
    - (ii) Determining the need for referrals to, or consultation with, another health care professional.

(iii) Determining the ultimate overall care of the patient, including treatment options available to the patient.

(iv) Determining how many patients a health care professional shall see in a given period of time or how many hours a health care professional shall work.

(B) Exercise control over, or be delegated the power to do, any of the following:

(i) Setting clinical standards or policies, including clinical staffing levels;

(ii) Owning or otherwise determining the content of patient medical records.

(iii) Hiring or firing health care professionals, clinical staff, and medical assistants based in whole or in part on clinical competency or proficiency.

(iv) Setting the parameters under which a health care professional or facility shall enter into contractual relationships with third-party payers. Setting the prices, rates or amounts the health care facility charges for a medical licensee's services.

(v) Setting the clinical competency or proficiency parameters under which a health care professional shall enter into contractual relationships with other health care professionals for the delivery of care.

(vi) Making decisions regarding the coding and billing of procedures for patient care services.

(vii) Approving the selection of medical equipment and medical supplies for the health care facility.

(2) The corporate form of that health care facility as a sole proprietorship, a partnership, a foundation, or a corporate entity of any kind shall not affect the applicability of this section.

(3) A private equity group or hedge fund, or an entity controlled directly, in whole or in part, by a private equity group or hedge fund, shall not enter into an agreement or arrangement with a health care facility doing business in this state if the agreement or arrangement would enable the person or entity to interfere with the ability of health care professionals to make health care decisions, as set forth in paragraph (A) of subdivision (1), or exercise control over or be delegated the powers set forth in paragraph (B) of subdivision (1).

(4) (A) Any contract involving the management of health care facility doing business in this state by, or the sale of real estate or other assets owned by a health care facility doing business in this state to, a private equity group or hedge fund, or any entity controlled directly or indirectly, in whole or in part, by a private equity group or hedge fund, shall not include any clause barring any health care professional in that health care facility from doing either of the following:

(i) Competing with that health care facility in the event of a termination or resignation of that health care professional from that practice.

(ii) Disparaging, opining, or commenting on that health care facility in any manner as to any issues involving quality of care, utilization of care, ethical or professional challenges, or revenue-increasing strategies employed by the private equity group or hedge fund.

(B) Any provision of a contract that violates paragraph (4) is void, unenforceable, and against public policy.

(C) This subdivision shall not affect the validity of an either of the following:

(i) An otherwise enforceable sale of business noncompete agreement. However, a contract described in this subdivision shall not operate as an employee noncompete agreement.

(ii) An otherwise valid provision within a contract that prohibits the disclosure of material nonpublic information about the private equity group or hedge fund that is not generally

available to the public, except to the extent that the provision seeks to either prohibit a disclosure of confidential information that is required by law, or to prohibit a disclosure described in subsection (4)(A)(ii).

(5) The Attorney General shall be entitled to injunctive relief and other equitable remedies a court deems appropriate for enforcement of this section and shall be entitled to recover attorney's fees and costs incurred in remedying any violation of this section.

(6) This section is intended to ensure that clinical decision-making and treatment decisions are exclusively in the hands of health care professionals and to safeguard against nonlicensed individuals or entities, such as private equity groups and hedge funds, exerting influence or control over care delivery.

(7) This section does not prohibit an unlicensed person or entity from providing non-clinical management, administrative and business services to, assisting, or consulting with, a health care facility doing business in this state with respect to the decisions and activities described in paragraph (B) of subdivision (1), provided that a licensed or certified health care professional retains the ultimate responsibility for, or approval of, those decisions and activities and the services provided do not constitute an exercise of de facto control over the administrative, business or clinical operations of a health care facility in a manner that affects health care professional's clinical decision making or the nature or quality of medical care that the health care facility delivers.

### Section 3:

The provisions of this division are severable. If any provision of this division or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.